



CABINET FOR HUMAN RESOURCES
COMMONWEALTH OF KENTUCKY
FRANKFORT 40621

DEPARTMENT FOR SOCIAL INSURANCE
"An Equal Opportunity Employer M/F/H"

KASES Network Memo No. 3

TO: Staff, Division of Child Support Enforcement
All IV-D Agents

FROM: Maxine Sticker, Director
Division of Child Support Enforcement

DATE: March 9, 1992

SUBJECT: Medicaid Incentives and the KASES Medical Support
Subaccount

The Division of Child Support Enforcement (DCSE) received notification from the Department for Medicaid Services (DMS) that effective December 16, 1991, all contracting officials may enter into a contract with DMS to receive incentive payments for medical support collections made on behalf of DMS.

All contracting officials who enter into such a contract with DMS agree to meet several responsibilities, among them the following:

- to contact DMS, through Electronic Data Systems (EDS), to obtain the amount paid by DMS for medical (prenatal) and birthing expenses prior to obtaining a court order for medical support payment;
- to provide DMS, through EDS, with a copy of the court order identifying the amount of the medical support payment the absent parent is required to pay DMS; and
- to forward all monthly medical support payments collected on behalf of the absent parent to DMS, through EDS, along with the medical support request for incentive fee form (MAP-587).

NOTE: Checks are to be made payable to the Kentucky State Treasurer and are to be sent the same day as the incentive fee request form.

In order to obtain medical and birthing expenses, contracting officials must contact DMS, through EDS, Medicaid's fiscal agent, at the address listed on the following page. Payments received by contracting officials for reimbursement of medical and birthing expenses are to be forwarded directly to EDS at the same address. Also, court orders are forwarded to this address.

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EDS
P.O. Box 2009
Frankfort, KY 40602
ATTN: Third Party Liability Unit

EDS can also be reached at their toll free number 1-800-756-7557. Contracting official caseworkers are to ask for the Third Party Liability Unit and identify that they are from a contracting official's office.

Pursuant to 42 CFR § 433.153, the state Medicaid agency is responsible for the enforcement and collection of medical support payments on behalf of the Medicaid agency. However, medical support payments must be forwarded directly to Medicaid, through EDS, (and not through the child support agency) for incentives to be paid.

If contracting official caseworkers are sending medical support payments to DMS, through EDS, in order to receive incentives, a medical support subaccount is not to be created on KASES. As the payment will not be posted and distributed through KASES, the creation of a subaccount would be inappropriate. If a subaccount was created, the arrearage therein would never be credited and therefore would never be paid.

2. - A medical support subaccount is not to be created when an absent parent is ordered to reimburse DMS through the contracting official for costs associated with a client's prenatal care and delivery. A medical support subaccount is created only when CHR is payee for the medical expenses.

The medical arrears subaccount (MEDIA) is never used for anything other than DMS repayment and CHR must be payee. It is never used when the client is to receive medical support arrearages. When a support order is established stating that medical support arrearages are owed to the client, the contracting official caseworker creates a non-PA (NPA1A) subaccount to reflect the amount due the client.

DCSE STAFF AND CONTRACTING OFFICIALS WHO HAVE NOT IMPLEMENTED KASES ARE TO SAVE AND FILE THIS MEMO FOR FUTURE REFERENCE.

Retention: Until Superseded

Inquiries: DCSE Staff - Supervisors
IV-D Agents - Compliance Analysts